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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

June 13, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 05HD-279

HAWAII

Approval of Extension of Sublease of Private Property with Robert K. Cabos and Roxana Cabos, on Behalf of the Department of Labor and Industrial Relations, for File Storage Purposes at Papaikou, South Hilo, Hawaii, Tax Map Key: 3rd/ 2-7-33:18

APPLICANT:

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS, Hilo District Office,
whose business and mailing address is 75 Aupuni Street, Room 108, Hilo, Hawaii 96720.

SUBLESSOR:

Robert K. Cabos and Roxana Cabos, husband and wife, whose mailing address is 2620
Kaiwiki Road, Hilo, Hawaii 96720.

LEGAL REFERENCE:

Section 171-30, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of private property, Yoshiyama Store, Space Number 1, situated at Papaikou, South Hilo, Hawaii, identified by Tax Map Key: 3rd/ 2-7-33:18, as shown on the attached map labeled Exhibit A.

AREA:

2,255 square feet, more or less.

ZONING:

State Land Use District: Commercial

County of Hawaii CZO: Village Commercial

CHARACTER OF USE:

File storage purposes.

LEASE TERM:

3 years, commencing on September 1, 2008 and expiring on August 31, 2011.

MONTHLY RENT:

\$1,375.55 per month payable in advance on the first day of each and every month for the term ending August 31, 2011.

DCCA VERIFICATION:

Not applicable. Sublessors are sole proprietors and are not required to register with DCCA.

REMARKS:

By letter dated, April 30, 2008, Gail Okada, Labor Programs Field Manager, Department of Labor and Industrial Relations (DLIR), requested approval from the Board of Land and Natural Resources to enter into a three-year extension of the sublease agreement with Robert K. Cabos and Roxana Cabos, for file storage purposes.

DLIR's file storage site was previously at the former Hilo Hospital, which was vacated in 2003 due to plans for its demolition and construction of a Veteran's Center. DLIR rented temporary storage space at U-Stor Self-Storage for a number of years before locating space in the old Yoshiyama Store in Papaikou.

At its February 10, 2006 meeting (Item D-7), the Board approved DLIR's request to enter into a sublease of the property. The term of the sublease was 2 years and 5 months expiring on August 31, 2008, Lease No. LOPP-HA-244. DLIR continues its efforts to locate an alternate and more permanent site. DLIR has been unable to identify any state owned facility within the Hilo area to satisfy its storage requirements; therefore it requests approval of the continued use of the old Yoshiyama Store under a three-year extension of the sublease.

By letter dated December 19, 2005, Roy K. Nakamoto, attorney for the Stanley S. Yoshiyama Revocable Living Trust dated October 1, 1998 and Carol Y. Yoshiyama Revocable Living Trust dated October 1, 1998, who together are the lessor under the prime lease, confirmed and consented to the initial sublease of the premises to DLIR.

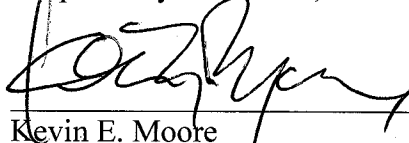
The proposed extension of sublease agreement contains a provision for termination by DLIR on 60 days written notice. Funding for the sublease of the private property will be allocated through DLIR's fiscal budget. DLIR will continue its pursuit of locating an alternate storage site, preferably closer to Hilo town and at a comparable/ reasonable price.

RECOMMENDATION:

That the Board of Land and Natural Resources approve entering into a 3-year extension of the sublease with Robert K. Cabos and Roxana Cabos, on behalf of the Department of Labor and Industrial Relations, covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

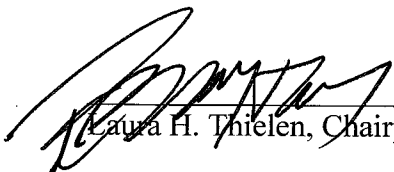
1. The standard terms and conditions of the most current lease/sublease of private property form, as may be amended from time to time;
2. Obtain written concurrence to the extension of sublease from the Yoshiyama Trusts or authorized representative, as Lessor/ Landowner;
3. Review and approval by the Department of the Attorney General; and
4. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Kevin E. Moore
Hawaii District Land Agent

APPROVED/ DISAPPROVED:



Laura H. Thielen, Chairperson

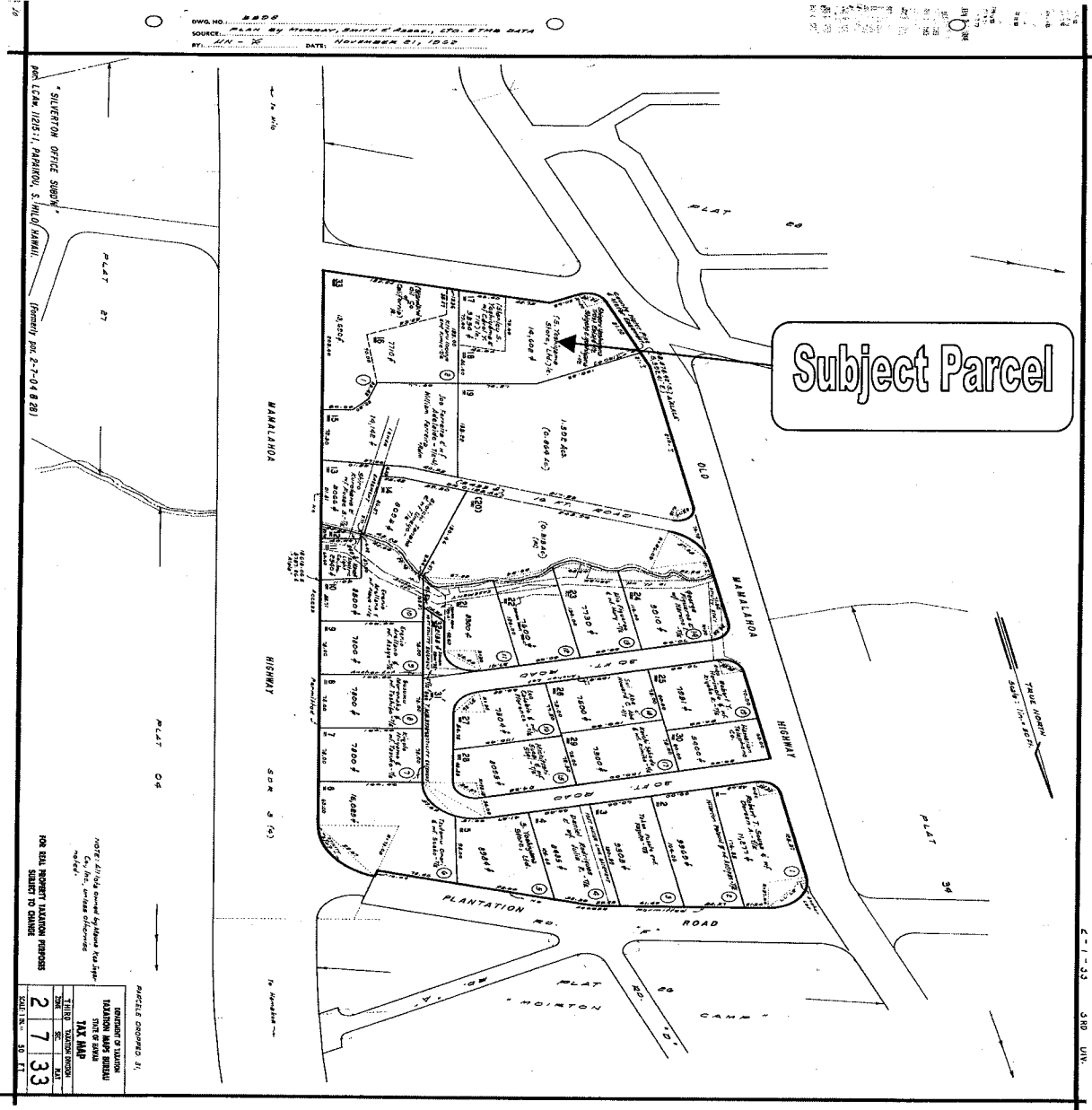


EXHIBIT A